

COMMUNITY AFFAIRS COMMITTEE

DATE: September 2, 2004
CALLED TO ORDER: 5:08 p.m.
ADJOURNED: 6:00 p.m.

ATTENDANCE

Attending Members

Joanne Sanders, Chair
Patrice Abdullallah
Rozelle Boyd
Vernon Brown
Susie Day
Scott Schneider

Absent Members

Virginia Cain

PROPOSAL NO. 489, 2004 – declares the Welfare Sinking Fund dormant and transfers the unused and unencumbered balance to the County General Fund
“Do Pass”
Vote: 6-0

BUDGET HEARING

Review and Analysis

PROPOSAL NO. 460, 2004 – adopts the annual budget and levies for the Marion County Office of the State Department Family and Children for 2005 appropriating \$75,595,850 and levying property taxes to fund such expenditures
“Do Pass As Amended”
Vote: 6-0

PROPOSAL NO. 461, 2004 – adopts the annual budget for 2005 for certain constitutional officers, administrative offices and agencies of Marion County appropriating \$71,055,696 (Community Affairs portion only)
“Do Pass As Amended”
Vote: 4-2

PROPOSAL NO. 466, 2004 – determines the tax levy for 2005 for each fund of the Consolidated City and Marion County (Community Affairs portion only)
“Do Pass As Amended”
Vote: 4-2

COMMUNITY AFFAIRS COMMITTEE

The Community Affairs Committee of the City-County Council met on Monday, September 2, 2004. Chair Joanne Sanders called the meeting to order at 5:08 p.m. with the following members present: Patrice Abdullah, Rozelle Boyd, Vernon Brown, Susie Day, and Scott Schneider. Absent was Virginia Cain. Kent Burrow, Chief Financial Officer, represented Council staff.

PROPOSAL NO. 489, 2004 – declares the Welfare Sinking Fund dormant and transfers the unused and unencumbered balance to the County General Fund

Dan Jones, Deputy Auditor, explained that this ordinance, according to State Statute IC 36-1-8-5, allows counties to have a surplus balance in a fund that is no longer required. This fund can be declared dormant and the balance can be transferred to the County General Fund. This fund in particular is the Welfare Sinking Fund. He summarized that back in 2001, the County had to borrow \$20 million to fund the Family and Children Fund for that year, which required the County to pay an interest rate of 3.87% per year and to set a tax rate to generate a levy in 2002 and 2003. The County paid this out over two years in order to lower the impact on the taxpayers, and this loan has now been repaid and there is a total of \$490,683 remaining in the fund. He said the Auditor's Office is asking to declare this fund dormant and then transfer the balance to the County General Fund. The \$490,683 has already been accounted for in the second half revenues for the County General Fund in the 2005 budget.

Councillor Abdullah asked if these funds are earmarked for anything specific. Mr. Jones answered that this is another source of revenue that goes into County General, and this is part of the supplemental funding that is put together to fund the 2005 budget.

Chair Sanders asked if all debts related to this fund have been paid. Mr. Jones responded in the affirmative.

Councillor Schneider moved, seconded by Councillor Abdullah, to send Proposal No. 489, 2004 to the full Council with a "Do Pass" recommendation. This motion carried by a vote of 6-0.

2005 Budget/Review and Analysis

PROPOSAL NO. 460, 2004 – adopts the annual budget and levies for the Marion County Office of the State Department Family and Children for 2005 appropriating \$75,595,850 and levying property taxes to fund such expenditures

Dan Carmin, Executive Director, Marion County Office of Family and Children (OFC) summarized that at the August 25, 2004 Community Affairs Committee meeting several Councillors had some questions. He distributed a handout which addresses these previous concerns.

[Clerk's Note: This information is on file in the Council Office with the original set of minutes.]

In brief, this information highlights.

Information regarding clothing for children who are coming into the system.

Marion County Children In Need of Services (CHINS) by Race, Age, Placement, and Gender.

A chart of OFC Placements from 1995-2003

Councillor Boyd suggested an amendment to this proposal, which is attached as Exhibit A. Chair Sanders confirmed that this amendment will keep the tax levy current, as opposed to adding an excess levy. Mr. Burrow said that the proposed tax rate for 2005 would remain the same as the prior year tax rate; however, if and when the assessed valuation in Marion County would increase in 2005, it would increase the amount of estimated property taxes that they would collect.

Mr. Carmin commented that without the appropriate current funding, the only option that OFC has is to borrow, which places them in a deficit situation. Chair Sanders said she is sympathetic to this and reiterated that the County is in a budget crunch, and this has been no easy task.

Councillor Boyd moved, seconded by Councillor Abdullah, to -Amend- Proposal No. 460, 2004 as illustrated in Exhibit A. This motion carried by a vote of 6-0. Councillor Boyd moved, seconded by Councillor Abdullah, to send Proposal No. 460, 2004 to the full Council with a "Do Pass As Amended" recommendation. This motion carried by a vote of 6-0

PROPOSAL NO. 461, 2004 - adopts the annual budget for 2005 for certain constitutional officers, administrative offices and agencies of Marion County appropriating \$71,055,696 (Community Affairs portion only)

Mr. Burrow explained that there is an amendment to this proposal, which is attached as Exhibit B. He said that the amendment increases the amount in Character 01 by \$89,906, Character 02 by \$5,939, and Character 03 by \$27,277. This restores the funding level to the proposed request.

Councillor Boyd moved, seconded by Councillor Abdullah, to -Amend- Proposal No. 461, 2004 per Exhibit B. Councillor Schneider asked where this money is coming from. Mr. Burrow answered that there has not been a specific identified source for these funds, other than the fund balance. He added that other appropriations have not been changed for this increase. Those appropriations will be in other committees, where they will adjust for this. Councillor Schneider questioned if the Council is spending money it does not have. Mr. Burrow answered that in the County General Fund there was an

expected fund balance of approximately \$274,000, so technically it is there and they are spending down the fund balance. Councillor Schneider stated that traditionally in budgets, when the Council reinstates something that has been taken out, it has to be accounted for somewhere. He asked if the funding will be taken from other portions of the budget but no one knows from where. Mr. Burrow said it will be taken from the County General Fund property tax section, line 10, which will be increased by \$123,122. This will then spend down the operating balance in the Administrative area. Councillor Schneider stated that he understands this, but is still asking where specifically the funding is coming from. Chair Sanders said they are looking for a cut from someone else's budget. Mr. Burrow said there will not be a specific cut identified for this funding; there will be cuts in spending proposals and amendments made, and a specific one has not been identified to replace this money.

Councillor Boyd said that Councillor Schneider's point is well taken. He said he has every confidence this information will become apparent soon, and this information will be forwarded. Councillor Schneider asked the Auditor's Office what their opinion is of this. Marty Womacks, Marion County Auditor, responded that any time there is a spending down of the balance to nearly nothing, it is not exactly good fiscal management. She said this is why the County is in the mess that it is in, because it has continued to spend down the fund balance over the last several years. Chair Sanders added that what is being dealt with presently is an issue of under-funding an organization that is mandated by State law to provide resources and staff for children, based on the number of children that are housed at the Marion County Guardian Home. Should they not meet that State certified ratio of staff to children, then the County is in worse shape. She said the Guardian Home can be fined as well as closed. She said this is a situation where the County pays now or pays later.

Ms. Womacks commented that the County Commissioners oversee the Guardian Home and they are currently looking into the privatization of the Guardian Home which would free the County up to tap Federal resources that it currently cannot have because it is a County agency. She added that the County has the Mayor's support for this as well. If this does happen it probably cannot occur before mid-year 2005. Chair Sanders said this option seems ambitious, and there may be other options as well.

Chair Sanders called for a vote on Councillor Boyd's motion to "Amend." This motion carried by a vote of 4-2, with Councillors Day and Schneider casting the negative votes. Councillor Boyd moved, seconded by Councillor Abdullah, to send Proposal No. 461, 2004 (Community Affairs portion only) to the full Council with a "Do Pass As Amended" recommendation. This motion carried by a vote of 4-2, with Councillors Day and Schneider casting the negative votes. Councillor Schneider commented that there is no question the County is in a tight financial situation. He said that to say one agency will be reinstated, with several other agencies sitting in the same room that are as well deserving, without earmarking this money to be restored, is irresponsible.

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Chair Sanders asked if there was any public testimony regarding this proposal. Those speaking in support of this proposal were:

- Mike Howland, Chief Executive Officer, Noble of Indiana

Ron Hoyt, Marion County Cooperative Extension Service

PROPOSAL NO. 466, 2004 – determines the tax levy for 2005 for each fund of the Consolidated City and Marion County (Community Affairs portion only)

Mr. Burrow stated that there is an amendment to this proposal. He referred to page 22 of this proposal, lines 13 and 14. The fund balance would be reduced by \$123,122

Councillor Boyd moved, seconded by Councillor Abdullah, to "Amend" Proposal No. 466, 2004 as stated above. This motion carried by a vote of 4-2, with Councillors Day and Schneider casting the negative votes. Councillor Schneider indicated that he voted against this proposal for the same reasons he indicated concerning Proposal No. 461, 2004. Councillor Boyd moved, seconded by Councillor Abdullah, to send Proposal No. 466, 2004 (Community Affairs portion only) to the full Council with a "Do Pass As Amended" recommendation. This motion carried by a vote of 4-2, with Councillors Day and Schneider casting the negative votes.

Councillor Boyd commended Chair Sanders for the amount of time and energy she has devoted during the budget process. He noted that in all of his years on the Council, this is the most stringent budget process he has been through.

With no further business pending and upon motion duly made, the Community Affairs Committee of the City-County Council was adjourned at 6:00 p.m.

Respectfully submitted,

Joanne Sanders, Chair
Community Affairs Committee

JC/hfs


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